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OCI No. 2486/63

CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
18 December 1963

CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: Sihanouk's Next Moves

1. Prince Sihanouk probably is more than a little uncomfortable over the position he finds himself in as a result of his abrupt renunciation of US aid. Aside from the economic consequences of his actions [REDACTED]

[REDACTED] Sihanouk must realize that he is perilously close to destroying Cambodia's neutrality mechanism. In the past, Cambodia's neutrality policy has operated in pendulum-like fashion, veering left and right as the occasion or Sihanouk's whims dictated. However, Sihanouk has never before cut his Western contacts so drastically or so strongly proclaimed Cambodia's dependence on Communist China and the bloc.

2. The potential gravity of Sihanouk's recent moves are mirrored in the widespread dismay evident among the essentially conservative elements making up Cambodia's power structure. The military, the bureaucracy, businessmen, and the royal family are deeply disturbed over the prospects of increased Chinese Communist influence in Cambodia and the resultant threat to their vested interests.

3. Despite criticism among conservative circles, there are no immediate prospects of organized open or covert opposition developing. Sihanouk's power position is strong. Even the military, which stands to be one of the principal victims of the economic dislocations brought on by Sihanouk, is staunchly loyal. Significant opposition from the military

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and other quarters probably would emerge only after a considerable lapse of time, even under the worst of circumstances that Sihanouk might generate.

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5. Sihanouk's next moves probably will be determined by several factors, some more intangible than others. These include his own assessment of his standing at home and abroad; developments in Cambodia's relations with the US and other Western nations, notably France; the success or failure of South Vietnam's current conciliatory approaches to Cambodia; and domestic economic and political problems. If by the interreaction of these mutable factors Sihanouk feels himself threatened, there is real danger that he will resort to further demagogic extremes to rally strong popular support behind him. Under such circumstances, American lives and property might be threatened as a consequence of Sihanouk's use of the US as a whipping boy.

6. On balance, and with luck, the West may yet ride out the latest storm in Cambodia. While Sihanouk's basic outlook is one of accommodation with Communist China, he is by no means anxious to fall under the bloc's economic or political toils. Similarly, while he has long been interested in adapting Communist China's economic state control methods to increase the productivity of Cambodia's economy, he is not insensitive to the conservative mores of his country which strongly resist drastic change. Sihanouk probably would be best pleased if he could reconstitute, more or less on his terms, economic and political contacts with the West while at the same time feeling free to accept military as well as economic help from the bloc.

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7. He is not in such serious economic straits that he would feel compelled to ask either Communist China or the USSR for a large-scale crash economic assistance program. He has time, if he desires, to work around gradually to an improvement in relations with the US.

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